Ontario. Hydro-Electric Inquiry Commission, 1922-1924
[Miscellaneous documents]

INTERVIEW WITH

Mr. James Pearson

on

May 17th, 1923.

ONTARIO

Hydro Electric Inquiry Commission

36 KING ST. EAST

TORONTO

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Present:

E. D. Gregory, Chairman
M. J. Haney
J. A. Cowx
H. A. Ross Commissioners.
J. H. W. Bower, Secretary.

MR. PEARSON: Now I have not read your commission and am not familiar with the scope of it.

THE CHAIRMAN: It covers all matters of administration and expenditure of the Hydro-Electric Power Commission of Ontario as it has a very wide basis, and it is under that head we can seek you.

MR. PEARSON: Well, as a person taking an interest in public affairs all my life, I have had strong views on this Hydro-Electric business, and since you told me you wanted me to tell you what I think about it I jotted down a few headings here that may guide me in what I have to say.

Now, as old Dan McMillicuddy said, "All questions have two sides and [illegible] this matter--the matter of [illegible] get into a tangle. I think in the first place these powers belong to the Province, that is, [illegible] the people--they don't belong to the municipal [illegible] to the people and the people have a right to derive benefit from them in proportion to their value as they have of their forests and their mines. Now, a water power has a value and it is only apparently beginning to appear just what the value is owing to the growing shortage of coal and power. There is a value of that development to the Province; it is an asset. Here the other day a little water power of 10,000 h.p., sambling in the backwoods, is leased for 50 years by option at a rental of $40,000. Capitalizing that at 5 per cent, the value of the water right in the woods, belonging to the Province of Quebec, is $1,600,000. Now if that is one, what are our water powers worth today? Suppose they hadn't any development up to the present time?

THE CHAIRMAN: If the Chippewa, instead of being developed by the Hydro had been sold by the Government as a private corporation for development, the money received for it would have gone to the whole Province.

MR. PEARSON: I was coming to that. If supposing Chippewa had not been developed and the Government advertised for bids for rental--I believe in the Quebec method of renting the water powers for a limited period; they adopted 40 years, I don't know why, on this that one, but 21 years with renewal according to value is the usual term....

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MR. HANEY: It might be interesting to you to know that the American Federal Government have done practically the same in regard to certain rights on the Niagara River. They have leased for 50 years, reserving the right to purchase the whole plant at the end of that time and making a new lease.

MR. PEARSON: You take the Hydro Act and in the first place I think it is the most arbitrary expropriating Act we have on our books. When we attended the lectures to old man Lees he told us when you own 100 acres of land you own up to the top without the roof, and to the centre of the earth. That Act allows them to tramp over people's farms and there is scarcely any remedy for it. It was conceived in a manner regardless of private rights; however, it is there. And then consider the development of it under the Commission, owing, I think, to the fact that it was really a one-man Commission. I don't know anybody that is on that Commission that had really any influence on Sir Adam. Mr. Drury thought he was helping things along when he put a member of the Government, Colonel Carmichael, on the Commission. I was at the U. F. O. convention when Colonel Carmichael's appointment was approved of and I felt sorry for him and I felt how unfit he was for it; merely a baby in the hands of it. Look at the last election, $11,000 spent in an election and at Sir Adam's will.

MR. HANEY: That was only the amount that was discovered.

MR. PEARSON: Yes, and it may have been much more. Colonel Carmichael did not know anything about it; he was not consulted; and I hold, and I wrote Mr. Drury shortly after his appointment that it was a mistake to have a member of the Government on that Commission. I think with a man like Beck at the head of it, he does as he likes and says, "Oh, well, I have really the approbation of the Government because one of you is on it." In other words, I put it here as it occurred to me, "Responsibility without Control." That is what it is, responsibility on the Government without any say in what was going on.

Now under the Commission what I find is this: there has been an inequitable and unfair distribution of the benefits of our water powers. The great benefit is going to the municipalities; and if you follow it up, who in the municipalities? The manufacturers are the people who get the benefit of the tariff, and the big interests they get it. Now I am not a

THE CHAIRMAN: Don't the small consumers get it?

MR. PEARSON: The small consumers in the cities get light for just about what it costs to go around and measure it and that is not fair. I saw an electric bill not long ago. A man paid a bill and he had an apartment with 11 lights and they sat up pretty late, and for the months of November and December--dark months--his bill was $1.63. There is something wrong when there is that sort of thing going on.

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MR. J. A. ROSS: What do you think is wrong?

MR. PEARSON: What I think is wrong is this, that the municipalities are getting power too cheap. I don't mind their getting the power and distribut-ing it as they wish if the Province gets reasonable revenue for their power; that is my point. The Province should get a reasonable revenue for its water power and then let the municipalities, if they wish, transmit it. Why should that Commission be proprietors simply because, as I understand it, there is a provision there for a sinking fund that is going to pay off the expenditure within a certain time and then they will own the powers. Well, pay off the sinking funds and the powers are still there, which should belong to the Province. Supposing I have a farm and I lease it to a tenant who has no means, and I furnish it and he makes an arrangement whereby he will pay off the value of the equipment. Does he own the farm because he has been paying for the equipment that he has been using? No, certainly not.

Speaking from the standpoint of a farmer--and I might just as well be up north of Cochrane--I have several farms in the County of Peel, north and south, and I don't expect ever to get any direct use of the Hydro, yet my property goes in the bonds that the Province issues. I was amazed at one man who undertook in your presenceto ridicule the farmers who said their farms had been mortgaged for the benefit of the cities who were getting power cheap. He was right; every inch of real estate in the Province goes into these bonds.

Now it has been stated on the platform time and again that Toronto has benefited $28,000,000 by virtue of Hydro. Hamilton claims $7,000,000 and London $5,000,000. London says they are getting for $50 what would cost $250.

THE CHAIRMAN: Where do you get those figures for London and Hamilton, Mr. Pearson?

MR. PEARSON: I got them out of some paper. There are $40,000,000, and I, as a property owner up in the backwoods, don't get one farthing. I am one of the public. I say municipal ownership is not public ownership. Municipalities are corporations. That is not public ownership. Public ownership is where the public, the people, individually at large ....How many municipalities in the Province are not getting any benefit, and yet you say we are public ownership. It is not. It is private ownership of the most selfish character because it distributes the benefits to the big centres.

THE CHAIRMAN: What is your remedy?

MR. PEARSON: I am coming to that. My remedy is this: Put the powers back where they would be if we had not had the Hydro Commission and have it distributed and attended to by a member of the Government under portfolio, and a strong man at that--not one of Mr. Drury's babies of the kindergarten class. It might be well for him to have some consulting assistants because this is a big question. It is a big thing because every time you go to develop a water power you must consider

what is its value. There was a commission, John O'Neill was on it, and I had a discussion with him. They brought in a recommendation that there should be a uniform charge of $2.00 per horsepower. We can't do that any more than you can put a uniform price on your forests and say every timber limit is of the same value. You must take every water power by itself. This power in Quebec came into being by virtue of the mining interests. Some day we may have to go and develop the French River and the Ottawa, and the question comes up what should the Province get for that water power. The Province is largely in debt and should help pay the indebtedness out of its ~~own~~ assets, and then you will have public ownership and then you will have every individual....I have a farm in the backwoods and will get benefit and that is the only way I can get a benefit,- by virtue of the Province having a benefit. How can anybody gainsay that. Why should they develop our water powers for those making profits out of manufacturing? There is not a manufacturer using Hydro in the Province that marks his goods down one farthing below what the tariff allows him. This is a public....I never had anything to say on it and I have got warmed up on it, but I always thought the thing was not dealt with properly and that it was being run, to my mind, by an autocratic commissioner. Sir Adam has done a lot, but I know something about hydraulics and hydro-statics and the test of that Chippawa power has not arrived. I never did believe, and I am going to wait for I am open to conviction, that a channel 9 miles long with only 9 feet of a fall--one foot to the mile--is going to have enough water running to supply 9 penstocks 330 feet high. You will find when you begin to get within 6 or 7 penstocks you will be running short of water. I don't believe--I have just as good a right to say that as Sir Adam's guessers have to make statements. His men are excellent young men and are learning, but we all know what the evidence on the Hydro Radials showed and they were fancy guessers. If I had been the Government, or Mr. Drury, I never would have had the Sutherland Commission. I would have said, "This Province will not guarantee these radials. If the radials are going to pay, give them every liberty to erect and run them and they don't need the Government guarantees." As a Government policy I would have no backing up of Hydro Radials.

Sir Adam Beck, without consulting the Government I presume, surveyed for an estimated 2500 miles of Hydro Radials in this Province. By virtue of being interested in contracting I was taken by a man who knows some inside information, one day, to where I could get a gravel pit and make some money out of it. He took me north of Toronto and showed me some stakes where the radials were going. I never saw this in the estimates.

I think that Commission should have been run just as R. C. Harris runs the Works business of this City. He makes up his mind the public work that is to be done, that he considers the people want or that they express their desire to have done, and then he goes before the Board of Control

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[illegible]

and the Works Committee and the Council, and he says "This is what is required and this is what I recommend; now do you authorize me to go ahead with it?" If Sir Adam had done that I would say the Commission are working out on practical lines, but you see the changes in the Government made the initiative of this thing. I think it started in Mr. Ross' time and it ran away during the next Government--Whitney--. Well, now, Whitney said this. I have seen this statement somewhere. Whitney said that the water powers should be administered under a branch of the Government. Whitney made that statement in a speech.

THE CHAIRMAN: He made it in his platform speech.

MR. PEARSON: And that is what I say now. It has got away from that and it must get back, and I hope that they make that an issue in this campaign.

I am largely interested in the city's affairs. I am not altogether one-sided for the country. I believe in fair play for all. I contend for a fair and equitable distribution of the country's assets whether they are water powers, forests, mines or whatever they are. They belong to the people and the people have a right to the first benefit and then distribute your subsequent further benefits. Look at the extent to which we have become indebted as a Province and you think to read some of the newspapers in Toronto that it is a piece of impertinence on the part of the Province of Ontario to say it has put up any money. The cities have done it all. Here is a resolution that these municipalities passed at a meeting--the Ontario Municipal Electrid Association have passed a resolution demanding such action as will relieve the Provincial Government from all financial responsiblity and place the administration and control of the Hydro-Electric System in the hands of the municipalities, which are owners, and are financially responsible for the undertaking. That is what the Globe says , and the other papers as a rule. I guess they are getting pretty cheap power.

I think our water powers are our biggest asset. All the Provincial questions that Sir Oliver Mowat backed up which kept him in power for 30 years, fade into insignificance in dollars and cents compared with what I consider the value of these water powers, and I want to see them used for the benefit of all the people and to help pay our debts, and consistent with that,help our industries. I am not one who is all one-sided. It is only necessary to get the poor fellow out in the country who isn't organized and struggling away, having the hardest lot of any section of the community today--the farmer. It is next to nothing and he ought to insist on getting some relief in his taxes and liabilities from our biggest and most valuable asset--and they are growing in value every year as coal becomes scarcer. Forests get burned and cut down. That is the end of them; but water powers "go on forever." They will be here increasing and continuing in revenue and it is important

that we, at the inception, should get them on the right basis. The longer they run in the present tangled-up condition the harder it will be to get them right, and you are not going to get the big centres, who are getting the benefits now, to take the initiative in putting them right!

MR. HANEY: Have you anything to say with reference to the capital supplied by the Province for these developments?

MR. PEARSON: Well, we have furnished a tremendous volume of capital, and if we go on and develop the St. Lawrence, the Ottawa, probably, and the French River, there will be more capital required.

THE CHAIRMAN: You distinguish between the water power and the system for the development and transmission. The municipalities, of course, have no ownership in the Niagara River.

MR. PEARSON: I am after the manner of carrying it out. I have not gone into it probably as thoroughly as I would if I had anything to do with it, but my idea is that being a valuable asset the Province should get the full value of that asset.

THE CHAIRMAN: And there is no reason why they should give the sole benefit to the municipalities within the Niagara area?

MR. PEARSON: As I say, the man up in New Ontario who is a property owner, has an interest in that power as much in proportion as the man right on the spot.

MR. GREGORY: And the people of Northern Ontario in that way have just as much right to the timber limits as the people down here to Niagara?

MR. PEARSON: Yes.

I hold that furnishing electric power for light is not a public utility. It is a luxury. No more nor as much a public utility as building houses. You could not live in this country without a house. Why doesn't the Government say that building houses is a public utility and we will turn over the forests to the lumbermen to enable them to build houses at cost--just about the same thing. Hydro power is not a public utility. We got along without it before we had it. Hydro lights is a luxury--we could get along without it. We have got accustomed through our Press,- papers like the Globe; they got off on fads. Stewart Lyon got up the other day and mentioned certain municipalities who derived $44,000,000 benefit. I don't know where he got the other $4,000,000; I figured $40,000,000 out of three places, and he contends there should be representatives of the municipalities on the Hydro-Electric Power Commission. That is just about the same thing as a customer saying to the man he deals with, "I am your big

[illegible]

MR. [illegible]. [illegible]

MR. [illegible]. [illegible]

MR. [illegible]. [

customer and I think you should place me on your directorate. I am dealing with you and paying more than anyone else." The big cities are the biggest customers but that is no reason they should be on the Commission; that is the best reason why they should not.

MR. R. A. ROSS: I think your point is that the ownership of the raw water powers is in the community?

A- Yes.

MR. R. A. ROSS: That a large part of the community can't receive any benefit from those water powers unless a rental is paid for them to be distributed over the whole province?

A- Yes.

MR. R. A. ROSS: Then when you have rented your properties to corporations forever, they supply money and distribution, etc., where then does the status of the Government come in as a director or an owner. They have sold out their property?

A.-Yes.

MR. R. A. ROSS: The Government has sold it to the municipalities just as they would have sold it to a power company, and the Government when it leases to a private company does not say, "We have a right to a place on your Board of Directors."

A - They have leased it ...

THE CHAIRMAN: The Government is putting up the money to develop this water power.

MR. HANEY: The Government has gone one step further; it is furnishing water and capital.

THE CHAIRMAN: If someone furnished the money to a private corporation he would have a good deal to say about the management of the company.

MR. R. A. ROSS: You collect rental out of the people who are taking power.

MR. PEARSON: This will follow down to the time that the sinking fund pays off the expense, then what happens?

MR. R. A. ROSS: Then the municipalities have redeemed their own indebtedness and got the share of the banker, which appears to be the Government. But the Government still owns the power but it has been charging a rental for that power and it remains an asset of the province after the leases have expired.

MR. PEARSON: And in the meantime I contend that the Province should be getting an income from these powers.

[illegible]

Q. Is it true, Mr. Chairman, that in the year [illegible] [illegible] [illegible]

MR. R. A. ROSS: But should it have representation on the Commission?

MR. PEARSON: Why should the customer have representation?

MR. R. A. ROSS: He is the owner of the means of transmission. He is the owner of the power he is trying to distribute just the same as a private company.

THE CHAIRMAN: What you are speaking of is Niagara Falls and not the distribution system through the Province?

MR. PEARSON: Yes.

THE CHAIRMAN: The Government lease it through the Niagara Falls Park Commission. The Power Commission pay the Park Commission about 50 cents a horsepower. You want it to largely increase that so that the Province may have say $5.00 per horsepower then there would be a substantial revenue to the Province. They could get $5.00 from a private corporation.

MR. PEARSON: The sum and substance of my argument is that for the large amount of money put up by the people of the Province they are not getting enough revenue. You could not get anybody to go down to the bank and guarantee a bond for $100,000 without saying he is entitled to something for that guarantee.

THE CHAIRMAN: But the guarantee of this transmission system has nothing to do with the power at Niagara Falls. There is a distinction. You would not want to interfere with the municipalities in providing for the transmission lines and generating stations, etc., You want to say they must pay the Province a substantial sum as rental.

MR. PEARSON: They get the power and distribute it and they have to put up the lines for that purpose. They get the power at a price that surely the Province would be entitled, or ought to be entitled, to a revenue.

THE CHAIRMAN: If the Province had Niagara Falls today it could rent its power there for $1,500,000 a year easily.

MR. PEARSON: Yes. Of course local conditions would govern, but being so near the centres of our large manufacturing towns--Hamilton, Toronto, St. Catharines, etc--it is more valuable there than down on the St. Lawrence. Location has a great deal to do with the value of a power. Some powers might not be worth developing.

THE CHAIRMAN: You could apply the same to all water powers.

MR. PEARSON: Yes. They are the general property of the Province and they should be used for the ~~be~~ general advantage of the Province, and the municipalities taking power should pay a reasonable price. I don't want to criticise the municipalities buying power in chunks. I am only referring to that feature to show how unbusinesslike it is for the Province to be

furnishing power to the municipalities at such a price that they can waste it.

MR. R. A. ROSS: There is a good deal in what you say. Of course the principal is acknowledged by both parties. Nipigon pays rental to the Government, the only question is, is it enough. I think with you it is not enough. When you have paid that amount I don't see where your justification then is for the Government to run the when they have no ownership in the construction.

MR. PEARSON: But in the meantime the Government has put up its bonds.

MR. R. A. ROSS: And it has security in the contracts for these bonds, that backed by the sinking fund and the distribution and development systems.

THE CHAIRMAN: The security which the Government has got from the municipalities is something which I don't think a banker would take. They don't issue their debentures to the Government; the Government cannot sue them. The Government has no direct claim against the municipalities. It cannot make them pay if they default. Supposing some new invention came along and power could be developed chesper, the Government could not get their money back.

MR. PEARSON: Supposing someone invented power from sunlight that would excelHydro, what would these municipal undertakings amount to?

THE CHAIRMAN: If they issued their bonds and the bonds were held by the creditors they would have a direct claim on the municipalities, but now that is very uncertain.

MR. PEARSON: I could not understand the discussions in the Press where the papers still harp on the argument that the municipalities are putting up the money for the development, and here every little while we have Mr. Smith, the Treasurer, advertising $20,000,000, $10,000,000 or $25,000,000 of Provincial bonds for sale. Where is that money going to?

THE CHAIRMAN: In the case of Chippawa there is no sinking fund. There is no provision in the Act and the Commission is left to use its judgment when it will create this and for what term. It does not need to start the sinking fund for some years.

MR. PEARSON: I wrote the Treasurer two years ago to know what revenue was received from the water powers of the Province. He wrote me back that he could not tell me. I wrote the Treasurer of the Province of Quebec and inside of 24 hours I had a statement showing the aggregate sums received. It was business. Ours is not in a business shape, and you gentlemen can frame it up so that it will be and so that the Province will get its rights and the people get their rights, and don't mistake municipal ownership for public ownership.

MR. GREGORY: Would you have the Government earmark the revenue from waterpowers and use that for the purpose of making lower rates for certain outlying municipalities?

MR. PEARSON: You take a municipality that has a contract for power and out in the corner of that municipality live a few farmers who want power, it is going to be a long line to get out to them. As I understand it, the Government puts its hands into the public treasury and contributes towards furnishing these people with power. Why shouldn't the onus be on the municipality. Everybody in that municipality should be entitled to power. Why not the municipality instead of the Government come in and help.

I was up in the House at the close of the second last session and there was a Bill hurried through to provide that where you would not furnish power to those that required it unless at a loss the Government paid part of the cost.

THE CHAIRMAN: They pay part of the construction of the lines; half the cost of the primary lines out of the general revenues of the Province.

MR. PEARSON: Then as a contributor to that general fund they put a hand into my pocket to help my neighbour and I am not getting any benefit.

THE CHAIRMAN: These municipalities getting cheap power contribute to that fund.

MR. PEARSON: I think it is absolutely wrong.

THE CHAIRMAN: That is sort of set off against the liability the Government has incurred against their property. These rural municipalities help to back the bonds of the Province, and in this way they get some return.

MR. PEARSON: It doesn't come out of the revenue from waterpowers. It is entirely wrong. The waterpowers should be so administered that they would take care of the people who require the power.

THE CHAIRMAN: Would you do anything to equalize power rates so that people living some distance from the Falls would to some extent share equally with those nearer the source of power?

MR. PEARSON: When you come to consider that, no matter where the waterpower is located it is a Provincial asset and belongs to the people at large. You can't very well make a uniform rate all over because it is not workable, but there should be some contribution by those who are so situated as to get it at a very reasonable rate towards those where the costs would be higher--not an absolutely uniform rate but a rate that would be considered--in other words, those that are getting cheap power should help those who are not so favorably located.

THE CHAIRMAN: Of course those municipalities that are getting cheap power are under no obligation to the Government to provide cheap rates for other people for they have paid value for it.

MR. PEARSON: As I say, the whole thing seems to be in a condition that requires remedying.

MR. R. A. ROSS: You must remember when they have paid that rental for power, say $2.00 a horsepower, that that automatically reduces the area over which power can be economically distributed and tends to limit the very thing you are speaking about--the distribution to outlying districts.

MR. PEARSON: I said I did not think you could adopt a uniform rate.

MR. R. A. ROSS: I am not speaking about the uniform rate at all. If you charge that $2.00 to the Hydro Commission you charge it to the municipalities, and that will automatically make it more difficult for the Hydro to distribute power to the outlying people because the power costs more. It would tend to limit the very thing you are trying to promote.

MR. PEARSON: Yes, to some extent, but that $2.00 a horsepower is a trifling thing to the benefit some people are getting.

MR. GREGORY: It is a very small fraction to the small country consumer. $2.00 a horsepower a year does not amount to very much in the case of the Eugenia municipalities who are paying $60.00 to $90.00, but it limits it of course.

MR. PEARSON: But it is so small in proportion to the benefits.

THE CHAIRMAN: Ross, supposing Niagara Falls were put up for auction and there were free competition, what revenue would the Province get?

MR. R.A.ROSS: It is supposititious case and there is no competition. You have the best indication in what the American Government gets from its tenders. The Government receives tenders from anybody that wants to develop power, and for instance at Niagara Falls--I don't know whether that last development has come under the new law or not...

MR. HANEY: I don't think it was competitive.

THE CHAIRMAN: What do they pay now? Do they pay anything?

MR. HANEY: I don't know.

MR. R. A. ROSS: I think likely they pay something. That new law went through about two years ago.

MR. HANEY: They had the lease before that time.

THE CHAIRMAN: Do members think responsibility lies with
public opinion where one enters an obligation to the Government to
pay? Does anyone take that point? Do they have that in
mind or is

MR. HARRIS: No I mean, the only thing which I
is a condition that requires consulting.

Q. Q. Q. STEAD: The only remedy that they have now
this result is by power, may it be a lawyer, that that authority
only reduces the area over which one is responsible. Be-
cause the last thing is that the only thing you are spending extra-
the investigation is valuing dwellings.

MR. MACDONALD: I mean I did not raise you mean a
a medium size.

Q. Q. Q. STEAD: I am not talking about the private
rate at all. It was always that in the public sector.
Does you agree it is the responsibility, and that such a mismatch
with make it very difficult for the people in district power to
the building people because for power with here. It would seem
to limit the very thing you are trying to promote.

MR. MACDONALD: Yes, it does point, but that is not a
happenstance in a building which in the length have mostly its
initial.

MR. CHAIRMAN: It is a very small dwelling in the small
subsidy category. It is a happenstance I know, but always it
may work in the case of the smaller municipalities who are pro-
bably more in the group, but it tends if of course.

MR. MACDONALD: Yes it is a small investment in the
municipal.

MR. CHAIRMAN: Then, delegate, citizens group were put
on the committee and there were some suggestions, what reasons made
the decision not?

MR. MACDONALD: It is responsibilities was not taken in
the capital. The same the same information is what the material
requirement, the cost, it leaders. The Government requires matching
from anything that which is through power, and for instance in
Niagara Falls—I don't know exactly that that background has come
model the use of 80%...

MR. CHAIRMAN: I don't think it was competitive.

THE MR. CHAIRMAN: What is the day not? Do they and
maintain?

MR. MACDONALD: I don't know.

Q. Q. Q. STEAD: I like likely that per constitution.
That the law and through which the power was.

MR. R. A. ROSS: Then they must have got it from a lease before this law went through

MR. HANEY: They might get the right from the State to construct works and to expropriate property and all that sort of thing to enable them to use the water. They would have a charter granted by the State to utilize this water.

MR. PEARSON: What is the condition with respect to the relative quantities that the two riparian owners are entitled to take from the river?

MR. HANEY: This is established by treaty.

THE CHAIRMAN: Yes, 24,000 cubic feet for the United States and 36,000 for Canada.

MR. PEARSON: Does not Chippawa get more than their share?

MR. GREGORY: The Hydro owns the Electrical Development and the Ontario Power Company and they could divert water from these plants.

MR. PEARSON: What does it mean when they are starting around now to look for more water for Chippawa?

MR. HANEY: There is a strong feeling on the part of the people of this country who are interested in the subject, and also the Americans, that more water should be allotted for power purposes and not so much for ornamental purposes, and that they should probably increase this 56,000 cubic feet per second to 100,000 feet per second, or more.

MR. PEARSON: I suppose if they get the right to take more power and they start up those works that would be shut down to furnish Chippawa, they would hardly undertake to build another canal.

THE CHAIRMAN: They are talking of building another canal or tunnel.

MR. PEARSON: Well, if it turns out that enough water will not flow down that channel to run nine units contemplated, then they will either have to stop before they get through or get more water into that channel. I may be wrong.

THE CHAIRMAN: I think there is a great deal in what you say as to treating it as the property of the whole Province and charging rental to benefit the whole Province.

MR. PEARSON: It is a matter of business.

MR. M. L. (CON): Then they must have got it from a
local native who was drunk.

MR. GUEST: They might do the right thing the State
is insufficient work in agricultural industry and all that sort
of thing. We should drive to see the motor. They would have
a display placed up the place in which the motor.

MR. PATTISON: What is the condition with regard to
the relative consuming that the two electric stations are building
at Lake Cow River.

MR. BURTT: This is questioned by Lands.

MR. CHANDLER: Yes, Mr.Pat. Will that not be going
towards and be for the Lands.

MR. ROBERTSON: Have not children got more than their
money?

MR. CHANDLER: The Lands have the industrial development
and the Marine Power Company and that Lake Water
from Lake Lands.

MR. PATTISON: What time is such when they are starting
around and it has the same water and Development

MR. BURTT: There is a change involved in the part of
the people of this country who are interested in the welfare, and
also the workmen, that more rural people in districts the number
of workers and as most the commercial undertaking, and that they
are in Agricultural Company this Mr.Pat which they are members of
the Mr. Lake the Lands, Mr. Lands.

MR. CHANDLER: I remember it very well the right to take
water power and they agree to those water that would be what have
in further delayed, that which Hydro Electric is this structure
small.

MR CHANDLER: They are building of building structure
small or Lands.

MR. ROBERTSON: Well, it is large and that which Water
will run from that channel in the Lake which contemplated.
Lake Cow will allow that to be very battery and turned to
that line will allow the Lands. I may be wrong.
But were water into that channel. I may be wrong.

MR PATTISON: I think there is a great deal of work
and analysis before it is ready for the Lands Department.
The matter is therefore in its preliminary at the Lands Department
and analysis before the Hydro the Lands Department.

MR. ROBERTSON: It is a matter of importance.

THE CHAIRMAN: No doubt you would meet with the opposition of the municipalities. The municipalities now are getting what would go to the Government as the rental.

MR. PEARSON: I see they are to hold a convention to start a Hydro party.

THE CHAIRMAN: It would be rather popular in some counties.

MR. PEARSON: It would for you would not have to be unfair.

THE CHAIRMAN: What you contend is a fair price. Wouldn't this be neutralized to some extent if the St. Lawrence power were developed and the municipalities in Eastern Ontario got the benefit of their proximity to that development. If everyone used power in Ontario it would not matter whether you collected the tax or not.

MR. PEARSON: But the great agrarian community and rural districts, they are not going to utilize Hydro power and light. Farming is such poor business now they will have to get back to canned goods.

The sum and substance is, looking at it from the Provincial standpoint, there ought to be from which the people at large get a benefit, and then consider the utilization of what is left.

MR. R. A. ROSS: Let everything stand on its own feet.

MR. PEARSON: That is my idea.

THE CHAIRMAN: Out at Oakville I do not get Niagara Power and I pay 150% more for it for my stove than they do in Toronto. I live nearer to Niagara than they are.

MR. PEARSON: There is one thing in connection with my talk here, I had not studied up the details of the arrangements between the municipalities and the Commission.

THE CHAIRMAN: Of course you know the Commission does pay to the Park Commission a small rental. They have not paid anything for Chippawa.

MR. PEARSON: I don't think there is anything that would stand in the way of the Government making a change if they saw fit; it would be a fight between the municipalities deriving the benefit and the Government.

MR. R. A. ROSS: Of course the old companies that were there have still a lease at the same old rates. That would have to be respected. When the first lease was made Hydro power was in its infancy. Nobody knew what the outcome would be and it has developed wonderfully since.

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